

ORDINANCE NO. 12-2018

**AN ORDINANCE OF THE VILLAGE OF EVERGREEN PARK
DESIGNATING THE EVERGREEN PLAZA TOWERS
PROPERTY LOCATED AT 9730 SOUTH WESTERN AVENUE
(P.I.N. 24-12-236-005-0000), IN THE VILLAGE OF EVERGREEN
PARK, COOK COUNTY, ILLINOIS AS BLIGHTED**

WHEREAS, the Village of Evergreen Park (the "Village") is a home rule unit of government pursuant to the Illinois Constitution of 1970; and

WHEREAS, the Mayor and the Board of Trustees (collectively, the "Board of Trustees") has evaluated whether the Evergreen Plaza Towers building located at 9730 South Western Avenue and identified by PIN 24-12-236-005-0000 (the "Property") in Evergreen Park, Cook County, Illinois, and further legally described on Page 4 hereof, constitutes a blighted parcel as defined by the criteria set forth in the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (the "TIF Act"); and

WHEREAS, in order to find that a property qualifies as a blighted parcel under the TIF Act, five (5) of the following thirteen (13) factors listed must be present: (1) Dilapidation; (2) Obsolescence; (3) Deterioration; (4) Presence of structures below minimum code standards; (5) Illegal use of individual structures; (6) Excessive vacancies; (7) Lack of ventilation, light, or sanitary facilities; (8) Inadequate utilities; (9) Excessive land coverage and overcrowding of structures and community facilities; (10) Deleterious land-use or layout; (11) Environmental clean-up; (12) Lack of community planning; (13) the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated; and

WHEREAS, the Board of Trustees find that the Property is experiencing (1) dilapidation, (2) obsolescence, (3) deterioration, (4) presence of structures below minimum code standards, (6) excessive vacancies, (10) deleterious land-use or layout, and (13) lagging or declining equalized assessed valuations; and

WHEREAS, the Board of Trustees find that the 2012 equalized assessed value of the Property was \$3,891,676, representing a decline of 15.63% from 2011; that the 2013 equalized assessed value of the Property was \$3,251,971, representing a decline of 16.44% from 2012, that the 2015 equalized assessed value of the Property was \$3,792,627, representing a decline of 2.08% from 2014, and that the 2016 equalized assessed value of the Property was \$2,536,476, representing a decline of 33.12% from 2015; and

WHEREAS, the Board of Trustees find that the Property has deleterious land-use or layout due to, among other factors, an approximately 114,000 square-foot office building located on an 108,736 square-foot parcel of land; and

WHEREAS, the Board of Trustees find that the Property is obsolete and contains characteristics or deficiencies which limit its use and marketability due to the layout, building deficiencies and deferred maintenance of the structures thereon; and

WHEREAS, the Board of Trustees find that the Property is dilapidated and in an advanced state of disrepair due to buildings needing to be substantially rehabilitated and the parking deck needing to be substantially repaired; and

WHEREAS, the Owner of the Property has presented a construction budget in the amount of \$6,632,050 for the substantial rehabilitation of the Property and is entering into a loan agreement with First Merchants Bank for a loan in the amount of \$6,600,000 to be used for the acquisition and rehabilitation of the Property; and

WHEREAS, the Board of Trustees find that the Property is in a state of deterioration and requires significant updating; and

WHEREAS, the Board of Trustees find that the construction is below minimum code standards; and since the building was constructed in 1968, the majority of uses have been changed to medical uses which require updated utilities, elevators, and other emergency access for patients and Village services; and

WHEREAS, the Property has been in foreclosure such that any tenants that were in the building have been forced to relocate resulting in substantial vacancies; and

WHEREAS, the parking deck has been subject to a court order requiring it to be closed because of inadequate and deteriorating shoring and foundations (see attached Architect Report).

NOW, THEREFORE, BE IT ORDAINED by the Mayor and the Board of Trustees of the Village of Evergreen Park, County of Cook, State of Illinois, as follows:

Section 1

The Mayor and Board of Trustees hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do incorporate them into this Ordinance by this reference.

Section 2

The Mayor and Board of Trustees find the following:

1. That the Property is experiencing (1) dilapidation, (2) obsolescence, (3) deterioration, (4) presence of structures below minimum code standards, (6) excessive vacancies, (10) deleterious land-use or layout, and (13) lagging or declining equalized assessed valuations, as those terms are defined under the TIF Act.

2. That, because the Property contains at least five or more of the factors used to establish blight under the TIF Act, the Property is found and determined to be blighted.
3. That, unless corrected, the blighted condition of the Property will persist and continue to delay any future economic development thereon.
4. That the Property is therefore in need of redevelopment and renewal to prevent the spread of blight.

Section 3

This ordinance shall be immediately in full force and effect after passage and approval.

This ordinance was passed and deposited in the office of the Village Clerk of the Village of Evergreen Park this 16th day of April, 2018.



Catherine T. Aparo

CATHERINE T. APARO, Village Clerk

APPROVED by me this 16th
day of April, 2018.

James J. Sexton

JAMES J. SEXTON, Mayor

LEGAL DESCRIPTION

THE EAST 227.91 FEET OF THE SOUTH 393.38 FEET OF LOT "A," EXCEPTING THEREFROM THE EAST 18.89 FEET OF THE SOUTH 46.66 FEET OF SAID LOT "A" ALL IN THE CONSOLIDATION OF ARTHUR RUBLOFF'S EVERGREEN PLAZA, CONSISTING OF SUNDRY PARCELS OF LAND IN THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 12, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1963 AS DOCUMENT NO. 18727016, IN COOK COUNTY, ILLINOIS.

PIN: 24-12-236-005-0000

March 8, 2016

Paul DiCosola
Vice President/General Manager
Management Services
NAI Hiffman
One Parkview Plaza, Suite 760
Oakbrook Terrace, IL 60181 USA

pdicosola@hiffman.com

RE: Evergreen Plaza Parking Garage
Condition Evaluation Peer Review
Carl Walker, Inc. Project No. R1-2016-121

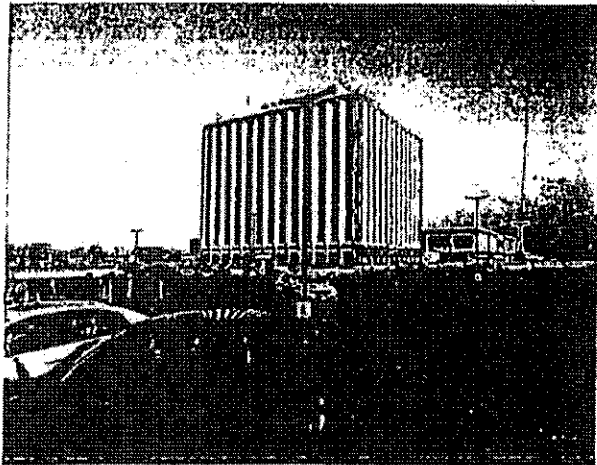
Dear Mr. DiCosola:

Carl Walker, Inc. has completed a peer review of the Structure Evaluation Engineers, Inc. (SSE) May 8, 2014 Condition Evaluation Report for the Evergreen Plaza Parking Garage located in Evergreen Park, Illinois. The attached letter includes a discussion of our evaluation findings, repair recommendations, and cost opinion.

PROJECT BACKGROUND

The Evergreen Plaza Parking Garage, originally constructed in the late 1960s, is a single supported level, at-grade, cast-in-place concrete parking structure located at 9730 S. Western Avenue in Evergreen Park, Illinois.

In 2014, the condition of the parking garage was evaluated by SSE. Their evaluation included: site observations of existing conditions, ground penetrating radar (GPR) and test excavations to verify existing reinforcement in the slab and joists, concrete compression testing, chloride ion testing, and structural calculations. Their May 8, 2014 report concluded that due to deterioration and construction deficiencies the upper level floor system was overstressed and not capable of supporting the design loads. They recommended closing the lower level and shoring the upper level until repairs are completed. SSE provided two repair recommendations: Option 1 to replace the entire existing concrete deck (and joists) for an estimated price of \$4,250,000, or Option 2 to replace existing concrete joists with steel joists and localized slab replacement for an estimated costs of \$3,325,000.



INVESTIGATION SUMMARY

Our peer review included:

- Review of available original design drawings.
- A site visit to observe existing conditions of the parking garage to visually observe the general condition of the floors, columns, beams, walls, and other structural elements.
- Preliminary structural calculations to identify the order of magnitude the concrete floor system may be overstressed.
- Review of SSE's May 8, 2014 Condition Evaluation Report.

Each of these items is discussed in the following sections:

Review of Original Design Drawings:

We worked with building staff to locate original design drawings for the parking garage. This included searching through two filing cabinets in the building attic that contained multiple copies of the original construction blue prints. During our search, we identified at least two sets of building drawings that had the garage drawings removed and not available. We found a third set of structural drawings that included the garage floors. The drawings were prepared by Bartholomed and Hansen Architects and dated 05-23-1968. The garage was shown on Draws S1, S2, S2A and S3. Unfortunately, we found these garage drawings to be inconsistent with the as-built construction. The drawings show joists spanning in the east-west direction supported on north-south spanning post-tensioned beams. This is opposite of the as-built construction where the joists span in the north-south direction supported by east-west spanning beams. We also noted that the joist schedule shows the original design joists being 10" wide by 20" deep at 2'-6" on-center, compared to the as-built joists being 5" wide by 12" deep at 2'-10" on center.

The design drawings would have resulted in a structure with a higher load carrying capacity than the as-constructed structure. A note on the original structural drawings indicate that the design live load of the roof level was to be 100 psf, versus 75 psf to 80 psf that was typical of parking structures of this era (50 psf for vehicles and 25 to 30 psf snow). It is possible that after these drawings were prepared, the design was changed to reduce the allowable live load.

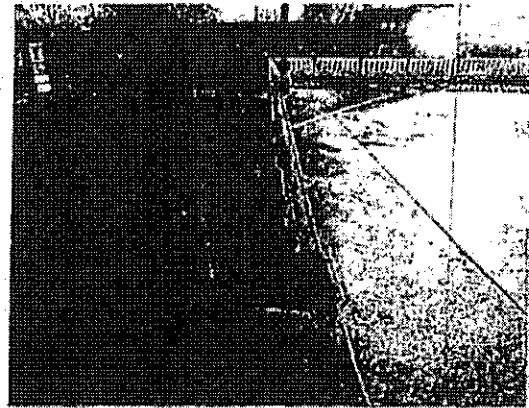
Based on our review, we believe the available original drawings are not accurate or cannot be relied upon for anything more than overall site dimensions and general layout.

Site Observations:

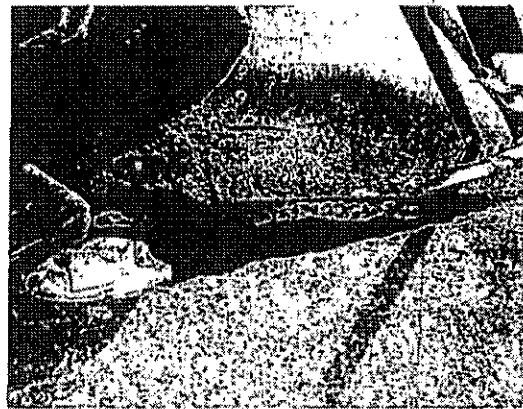
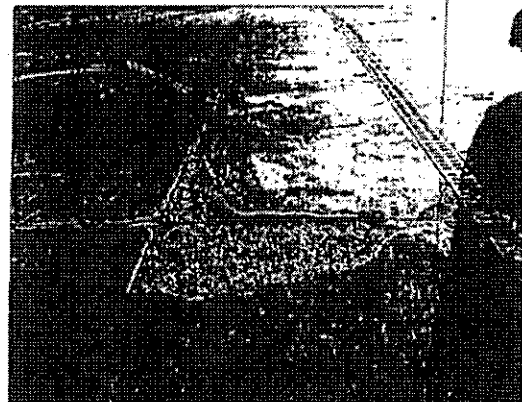
On February 19, 2016, *Carl Walker* performed a walk-through visual assessment of the Evergreen Plaza Parking Garage in Evergreen Park, IL. A summary of our observations follows:

At the Western Avenue entrance, we observed that there were no clearance bars or signage present to prevent overweight trucks or buses onto the supported floor.

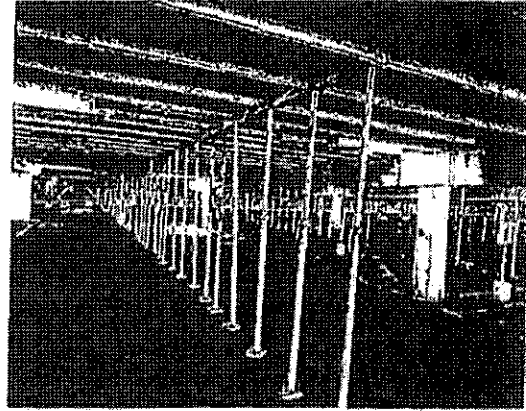
Building staff reported having observed semi-trucks using the parking garage for turning around and that PACE commuter busses routinely enter the parking garage to drop off passengers at the front door entrance.



The roof level floor exhibited several delaminations and one full depth hole. We also noted widespread cracking in the floor surface.

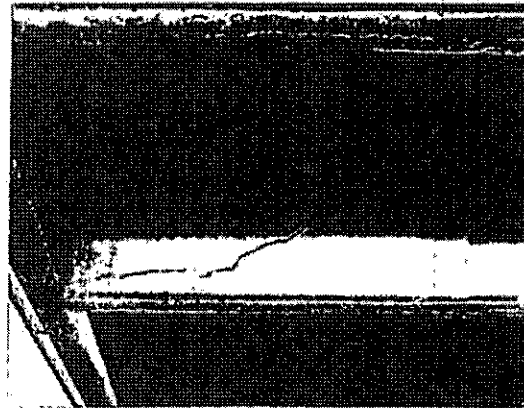
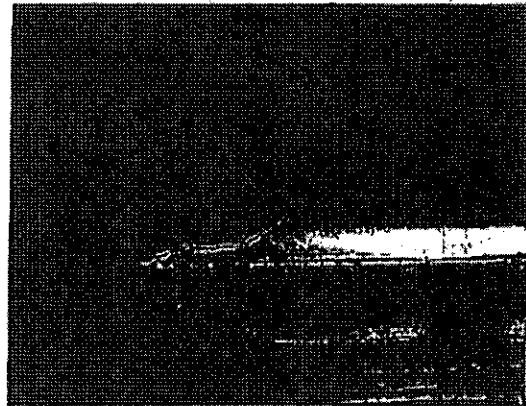


At the lower level, post shores were installed at midspan beneath most of the concrete joists.



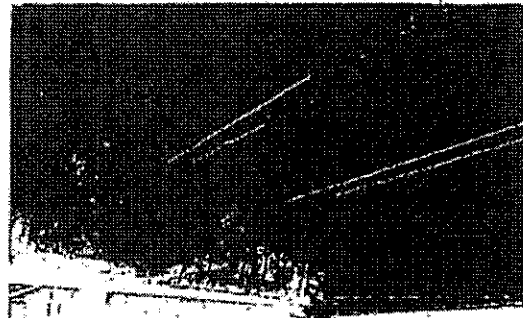
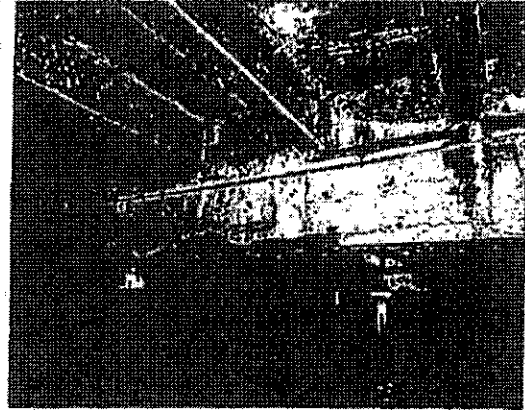
Vertical through cracks were present in a majority of concrete joists. We estimate that 60% to 80% of the concrete joists exhibit at least one crack ranging in width from 0.010 inches to as wide as 0.375". The cracks were typically located at the ends of the joists and are consistent with a shear over-stress.

Shear failures can be sudden and without warning. Additional temporary shoring to support the joists at the cracked ends is required to continue safe operation of the upper level. (We understand that after our visit, SSE and Zera Construction were engaged to design and install additional shoring.)



A few of the concrete beams exhibited large areas of concrete delamination / spalling. One beam exhibited deterioration at the bearing where the post-tension anchors are located. Based on the observed deterioration, we believe that there is a potential for post-tension tendon distress within the beams.

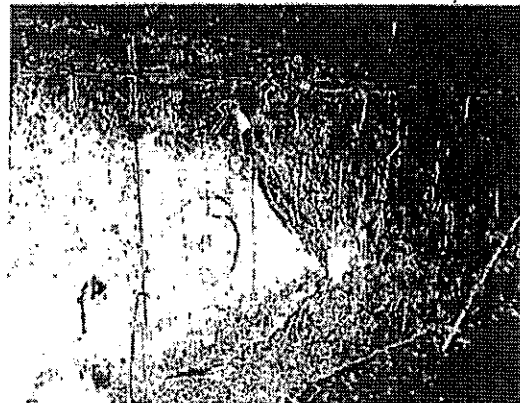
Additional investigation would be required to determine the extent of potential beam post-tension tendon deterioration prior to any decision to re-use the beams can be made.



Delaminated / spalled concrete exposing corroded reinforcing wire was frequent on the underside of the floors.



The columns and perimeter walls exhibit minimal concrete deterioration at isolated locations.



Preliminary Structural Calculations

We performed preliminary structural calculations to analyze the floor joists for potential overstresses.

Our analysis used current ACI 318 load factors of 1.2 x Dead Load and 1.6 x Live Load and current International Building Code parking garage Live Load = 40 psf. This likely results in a lower demand on the structure and reduced factor of safety versus the likely original working stress design method and assumed 50 psf vehicle live load requirements. Because the drawings that show the existing construction are not available, we relied upon SSE's test findings for the joist sizes and reinforcement. We did not consider deterioration of the structure in our calculations.

Our analysis found that the joist shear demand is 8082 pounds, while the shear capacity is only 7762 pounds (based upon an effective shear depth from the top of the original slab to the

bottom reinforcement). This indicates that the existing joist construction, in a repaired state without deterioration, exposed to typical vehicle load of 40 psf and snow, is approximately 4% overstressed. If adequate bond is present between the overlay and the original floor, such that the effective depth could be increased, the effective shear stress is likely reduced to an acceptable level. We consider our preliminary analysis as the "upper bound" solution while SSE's analysis may be the "lower bound".

While we did not do the calculations for semi-truck and bus traffic, we can infer that the joists will be severely over-stressed when exposed to bus or semi-truck traffic.

Review of SSE's May 8, 2014 Condition Evaluation Report

SSE's May 8, 2014 Condition Evaluation Report concluded: ***"Based upon our field condition review and results of our structural analyses, we recommend closing the lower level parking area and installing shoring under the concrete joists immediately until the concrete joists and deck are repaired."***

SSE's investigation appeared to be thorough and included valuable testing to document the existing reinforcement and chloride levels. Based on review of their included photographs, their visual assessment appears consistent to ours. It is our opinion that SSE structural calculations that included deterioration likely represent worst case scenario and are not representative of all locations throughout the garage. However, based upon the observed joist cracking, we agree with SSE's conclusions that the joist cracking is a serious structural concern and that the lower level requires shoring until the concrete joists are repaired.

CONCLUSIONS AND RECOMMENDATIONS

We offer the following Conclusions:

1. The joists are exhibiting cracking consistent with a shear failure due to overloading. Shear failure can be sudden and without warning. Additional temporary shoring is required in order to maintain safe usage of the upper level garage.
2. The existing upper level floor system does not appear to be designed to accommodate truck or bus traffic. Signage and clearance bars should be installed to prevent truck and bus traffic on the upper level.
3. Based upon observed deterioration in the existing post-tension beams, we do not recommend re-using the existing beams. Although the beams could be analyzed and likely repaired, the repaired beams should be anticipated to have a shorter life expectancy than a replacement floor.
4. SSE's testing found extremely high chloride (salt) levels in the original concrete floors. Elevated chloride levels are anticipated in the joists and beams also. Based upon the chloride levels, ongoing corrosion of the embedded reinforcement and concrete deterioration should be anticipated in all structural elements not replaced.
5. Repairs that maintain portions of the existing floor system will require extensive waterproofing and ongoing maintenance.
6. Replacement of the existing floor system will likely require upgrading the structure to meet current building code, including the addition of sprinkler and ventilation systems (due to the lower level being enclosed on three sides) and an exterior stair tower (due to pedestrian travel distances). Local building officials should be consulted.

RECOMMENDATIONS

We offer the following Recommendations:

Option 1: Demo the Upper Level Only

Due to the required shoring only the upper level is currently being used for parking. Demolition of the upper level and maintaining the lower level asphalt would maintain the same number of parking spaces currently being provided while removing the need for temporary shoring and ongoing monitoring of the upper level floor condition. This would be the lowest cost option and is likely a temporary solution because it does not provide sufficient parking for the building. Our opinion of probable costs for demolition is between \$460,000 and \$760,000. With engineering, testing and a recommended contingency, our opinion of total project costs is \$520,000 to \$875,000. If the existing asphalt requires replacement due to damage during the demolition, we estimate that the asphalt surface can be replaced for another \$400,000 to \$600,000.

Option 2: Replace Existing Floor System

Due to the extent of deterioration within the floor system, Option 2 would replace the entire floor system while maintaining the existing columns and foundations. This approach would likely need to include upgrades to the structure to meet current code, including fire protection and ventilation. Our opinion of probable construction costs for this option is between \$4,100,000 and \$4,700,000. With engineering, testing and a recommended contingency, our opinion of total projects costs is \$5,100,000 to \$5,750,000.

Option 3: Replace Structure

Option 3 is complete replacement of the structure with a new, modern, cast-in-place post-tensioned concrete structure. This option is the highest initial costs, but would have the lowest maintenance costs and life-cycle costs. Our opinion of probable construction costs for this option is between \$5,200,000 and \$6,500,000. With engineering, testing and a recommended contingency, our opinion of total projects costs is \$6,400,000 to \$8,000,000.

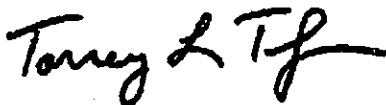
We appreciate the opportunity to assist NAI Hiffman on this project. Please do not hesitate to call with any further questions.

Sincerely,

CARL WALKER, INC.



Ryan A. Carris, P.E.
Sr. Project Manager



Torrey L. Thompson
Managing Principal